

## Message Text

CONFIDENTIAL

PAGE 01 STATE 138944  
ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00  
INRE-00 NSC-05 SS-15 NSCE-00 SSO-00 L-03 /054 R

DRAFTED BY EB/AN:JBMAGNOR:VLV  
APPROVED BY EB/AN:RABROWN  
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O 152049Z JUN 77 ZFF4  
FM SECSTATE WASHDC  
TO AMEMBASSY LONDON NIACT IMMEDIATE

C O N F I D E N T I A L STATE 138944

E.O. 11652: GDS

TAGS: EAIR, UK

SUBJECT: CIVAIR - US/UK CIVAIR NEGOTIATIONS

FOLLOWING IS TEXT OF MESSAGE FROM PRIME MINISTER CALLAHAN  
TO PRESIDENT CARTER:

QUOTE. DEAR JIMMY: WHEN WE SPOKE ON 29 APRIL ABOUT THE  
NEGOTIATIONS FOR A NEW AIR SERVICES AGREEMENT WE AGREED  
THAT IT WAS UNTHINKABLE THAT WE SHOULD NOT ARRIVE AT A NEW  
AGREEMENT, AND THAT WE SHOULD CONSULT TOGETHER TO RESOLVE  
THE PROBLEM IF NECESSARY. I NOW HEAR VERY WORRYING NEWS  
ABOUT THE LATEST TURN OF EVENTS.

AFTER OUR PREVIOUS CONVERSATION I HAD HOPED THAT OUR  
RESPECTIVE TEAMS COULD CLOSE THE REMAINING GAPS BETWEEN  
THEM, BUT NOW LEARN THAT YOUR TEAM, UNDER YOUR SPECIAL  
ENVOY, AMBASSADOR ALAN BOYD, ON INSTRUCTIONS FROM  
WASHINGTON, INSTEAD OF MOVING FORWARD TO MEET US HAS GONE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 138944

BACK ON POSITIONS TAKEN UP AS RECENTLY AS 3 JUNE.

IN THE ALL-IMPORTANT MATTER OF THE CAPACITY CONTROL MECHAN-  
ISM ACROSS THE NORTH ATLANTIC YOUR PEOPLES OFFER IS NOW  
WORSE THAN IT WAS SOME WEEKS AGO. WE WERE PERFECTLY  
PREPARED TO ADOPT THE STANDARD WHICH YOU YOURSELF PROPOSED

TO ME OF A 651 LOAD FACTOR BUT UNFORTUNATELY YOUR TEAM HAD REJECTED THIS. AS A RESULT THE WASTE OF FUEL AND OTHER RESOURCES WOULD CONTINUE.

AS REGARDS TRAFFIC RIGHTS THROUGH LONDON AND HONG KONG WE HAVE BEEN PREPARED TO MAKE SUBSTANTIAL CONCESSIONS (DESPITE THE FACT THAT WE HAVE VIRTUALLY NO REQUIREMENTS FOR WHAT YOU DESCRIBED TO ME AS ON-FLYING RIGHTS OUT OF THE U.S.). BUT YOUR SIDE CONTINUES TO PRESS FOR IMPORTANT OPPORTUNITIES THAT THEY DO NOT HAVE EVEN UNDER THE PRESENT AGREEMENT.

MOREOVER, I FIND THAT YOUR PEOPLE ARE IN PRACTICE DENYING THE PHILOSOPHY OF COMPETITION ON WHICH THEY HAVE TAKEN THEIR STAND--FOR EXAMPLE IN THE DIRECT SERVICES BETWEEN OUR TWO COUNTRIES THEY HAVE NOT SO FAR BEEN PREPARED TO GRANT US EQUAL RIGHTS. THEY WANT TO RETAIN SEATTLE AS AN AMERICAN MONOPOLY AND TO IMPOSE CONDITIONS ON THE HONG KONG AIRLINE (CATHAY PACIFIC) WHICH WOULD MAKE IT IMPOSSIBLE FOR IT TO OPERATE A COMPETITIVE SERVICE ACROSS THE PACIFIC TO THE U.S. WEST COAST. THEY ALSO CONTINUE TO INSIST ON PUTTING A SECOND U.S. AIRLINE ON THE LOS ANGELES--THEIR OWN STANDARDS, THE TRAFFIC IS UNSUFFICIENT TO WARRANT THIS.

I ALSO UNDERSTAND THAT THE U.S. SIDE HAVE PROPOSED AT THIS VERY LATE STAGE A CHARTER LINKAGE ARTICLE WHICH, IF WE WERE TO ACCEPT IT, WOULD PUT AT RISK THE MAIN SUBSTANCE OF THE NEW AGREEMENT.

CONFIDENTIAL

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PAGE 03 STATE 138944

I ASK YOU TO TAKE A CLOSE PERSONAL LOOK AT THE SITUATION AND TO GIVE AMBASSADOR BOYD FRESH INSTRUCTIONS.

WARM REGARDS. JIM. END QUOTE.

CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Action:** RELEASED  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Drafter:** JBMAGNOR:VLV  
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**Executive Order:** GS  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**SAS ID:** 2138759  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR - US/UK CIVAIR NEGOTIATIONS FOLLOWING IS TEXT OF MESSAGE FROM PRIME MINISTER CALLAHAN TO PRESIDENT CARTER  
**TAGS:** EAIR, UK, US, (CARTER, JIMMY), (CALLAHAN, JAMES)  
**To:** LONDON  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3120077c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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